



## Argentina and Brazil's Relations to the EU

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*Steen Fryba Christensen*

## *ARGENTINA AND BRAZIL'S RELATIONS TO THE EU<sup>1</sup>*

### **Introduction**

Mercosur's regionalism has from the outset in 1991 been centred on a strategic partnership between the two dominant economies in the regionalist scheme, Argentina and Brazil. In fact, already in 1986 these two countries engaged in a bilateral integration and cooperation scheme that started out with a focus on bi-national intra-industry cooperation. In 1991, Paraguay and Uruguay joined Argentina and Brazil, now in a regionalist scheme with a neo-liberal agenda and an "open regionalism" strategy as opposed to the more developmentalist agenda of the 1986 set-up (Christensen, 2007a: 4-5). Mercosur was seen as a strategic response to the challenges posed by globalization and national developmental problems and thus as a way to ensure a more successful integration in the global economy. In terms of its fit with the overall international political strategies of Argentina and Brazil, Mercosur formed part of a move towards a stronger economic relationship and a closer political partnership with the dominant Western powers of the United States and the European Community, although Argentina particularly emphasized a close partnership with the United States both in the economic and political spheres, while Brazil was more interested in an international insertion based on Mercosur and potentially a South American block (Bernal-Meza, 1999: 163). Both countries, however, shared a policy of emphasizing a Trans-Atlantic alliance or at least a priority of international economic relations with the US and the EC as well as foreign policies closely associated with the agendas pursued by these two leading global actors.

Mercosur was in part a response to the trade negotiations between the United States, Canada and Mexico starting in 1990 that led to the establishment of NAFTA (North American Free Trade Agreement) in 1994 as well as to the American idea of establishing a hemispheric economic block in the Americas that gained impetus with the first Summit of the Americas in Miami 1994 during the Clinton Administration (Lavagna, 1998: 297-380).

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At this point, the EC, which had turned into the EU with the passing of the Maastricht Treaty in 1993, became increasingly interested in a closer relationship to Mercosur for a number of reasons. 1. The accession of Spain and Portugal in 1986, countries with close historical and cultural ties to Mercosur due to a history of colonization and migration. 2. The creation of Mercosur along neo-liberal lines made the region quite interesting from a business perspective, both in terms of trade and FDI. 3. The initiation of the FTAA (Free Trade Area of the Americas) negotiations. 4. Mercosur is/was the main economic “partner” for the EU in Latin America, although its relative significance to the EU is low from a global perspective. Based on these considerations as well as on the interest of the Mercosur governments, the two regional groupings agreed on a bi-regional framework agreement in 1995 with a view of turning the relationship into a strategic association agreement later. Negotiations towards this aim were initiated in 1999. These EU-Mercosur negotiations constitute an attempt at the first bi-regional association at an international level. However, the negotiations came into a dead-lock in 2004 and have remained so until now (mid-2010) (Peña, 2010; INTAL, 2009: 101).

In the meantime, in 2007 the European Commission took the initiative to start talks with Brazil with a view of creating what they termed a “Strategic Partnership” between the EU and Brazil. At the same time, though, Brazil has pursued an activist international strategy during the two presidential periods of president Luiz Inácio “Lula” da Silva (2003-2006 and 2007-2010). In this strategy, South-South cooperation and alliance patterns have played a central role (Christensen, 2010a).

On this background, the present paper addresses the following questions: 1. Why have the EU and Brazil engaged in bilateral negotiations of a “Strategic Partnership”? 2. Which significance is this likely to have on EU relations to Mercosur and Argentina? 3. Is the EU-Brazil relationship in fact strategically prioritized by the EU and by Brazil in their overall foreign policy orientation?

With the discussion of these issues, I further seek to consider the position of the EU, Argentina and particularly Brazil in the international economic and political system in terms of strategic priorities.

### **Why the move towards a “Strategic Partnership” between the EU and Brazil?**

In 2007 the EU reconsidered its Latin America strategy placing a new emphasis on its bilateral relations with Brazil. In its country strategy paper on Brazil for the period 2007-2013, the European Commission argued that the growing regional and international influence of Brazil as well as Brazil's improved economic performance made it desirable to give Brazil special treatment amongst Latin American nations (European Commission, 2007a) and two weeks after the publication of the Brazil country strategy paper 2007-2013, the European Commission published the document *Towards an EU-Brazil Strategic Partnership* (European Commission, 2007b).

These documents marked a new direction in the EU's approach to Latin America. In 1995, the EU had celebrated a framework agreement with Mercosur and in 1999 it established a bi-regional partnership with Latin America and the Caribbean as well as the beginning of the negotiation of a bi-regional association agreement between the EU and Mercosur (European Commission, 2005).

All of these negotiation processes, i.e. EU-LAC, EU-Mercosur and EU-Brazil emphasize two sets of issues, namely shared values and shared interests, as the basis for partnership or association. The shared values are essentially democracy, human rights, the promotion of peace and social advancement particularly of the poor, while the shared interests relate to trade relations and other economic links. Similarly, it is stressed that the parties share an interest in advancing in themes such as climate change, fighting drug trafficking and other themes where the parties share values and interests. On the basis of its prioritization of issues such as poverty reduction, containment of climate change by way of multilateralism etc. the EU has promoted an image of it self as a kind of global civic partner, probably with the aim of promoting an image that compares positively to that of the United States, a country whose image is more associated with its hegemonic power projection e.g. through military action and a stronger tendency towards unilateralism on the international scene. The parallel processes of the EU-Mercosur negotiations and the FTAA from the mid 1990's seemed to prioritize economic issues and relations and should be understood to be strongly related processes in a triangular relationship, in which the bilateral relationship between two of the three actors is dependent on their relation to the third actor and the motivation for engaging with the other is to avoid being distanced by the third party (Tokatlian, 2009: 83 [2008]). Such a relationship depicts a competitive triangle in which, e.g. Argentina and Brazil can use the triangular relationship to their own benefit as the United States and the EU both prefer to have at least as good an arrangement with Argentina and Brazil as the other part. Apart from this, though, the United States and the EU promoted similar policies in their relations to Argentina and Brazil, namely liberalization and

openness. Also, at the geo-political level Argentina and Brazil became relatively close partners with both of these actors in global affairs positioning themselves in a sort of expanded Trans-Atlantic or Western alliance, thus moving away from more *Third Worldist* positions defended to different extents prior to the liberal 1990's along with more protectionist and autonomy seeking policies.

As stated earlier, the bilateral engagement with Brazil marked a redirection in EU policy towards Latin America and the Caribbean and a recognition on the part of the EU of Brazil's growing role as a regional and global player. In the following, I seek to analyze other aspects of the motivation of the EU to pursue a strategic partnership with Brazil and the motivations behind Brazil's willingness to engage with the EU towards this aim.

The EU Commission presents a range of arguments that point towards Brazil's importance for the EU. Brazil is presented as a regional leader and as a player with a growing economic and political role globally. A number of aspects of this growing role are listed throughout the document and includes issues such as Brazil's prominent position on the international arena in multilateral negotiations on UN reform, climate change, non-proliferation, disarmament and world trade. It is also highlighted that Brazil is a leading producer of biofuels and that it plays an important role in the protection of the environment, that it shares a number of values such as human rights and democracy with the EU and has taken on a leadership role in the global fight against poverty. Importantly, too, Brazil plays a constructive role in bridging the divide between the developed and developing countries in multilateral arenas and has taken on the function of a regional stabilizer, e.g. as the leader of MINUSTAH, the UN's peace mission to Haiti. Also, Brazil has been successful in stabilizing its economy and is an important investment site for the EU and offers the promise of an expanding market for European exporters (European Commission, 2007b). For all of these and for other reasons the EU finds that it is important to engage in an intensified dialogue and a strategic partnership with Brazil. At the time, the bilateral dialogue with Brazil was very weak and mostly conducted through EU-Mercosur negotiations, and, Brazil was the last amongst the BRIC countries to gain a strategic partnership with the EU (European Commission, 2007a).

If we go behind these issues, we find other reasons for EU's interest in a bilateral dialogue and partnership with Brazil. Probably the most notable reason is that Latin America as well as South America and Mercosur itself no longer showed the relatively convergent global and regional outlook that had characterized their international and development oriented policies in the liberal 1990's. After more or less a decade of neo-liberal policies and international policies in general alignment with those of the United States, the scene has become much more fragmented in the

region, after a number of countries have experienced more or less severe economic downturns associated with growing poverty and economic inequality. This has led to different responses and strategies. Raúl Bernal-Meza (2009: 131-177) lists a number of different responses which differ strongly and are associated with different strategies of insertion and international. One response is to pursue bilateral free trade with the United States, a strategy pursued by Chile, as well as Colombia and Peru. Another strategy is the Anti-American bolivarianism of Venezuela's Hugo Chávez who has promoted the Alba regionalist scheme insisting on its radical departure from neo-colonial neo-liberal schemes such as the FTAA. A third strategy is Argentina's international retraction during the government of Néstor Kirchner after Argentina's deep economic crisis in 2001-2002. This strategy led to changes in Mercosur's functioning moving it away from the essentially liberal approach of the 1990s towards a more negotiated approach as for instance Argentina fought to re-industrialize (Christensen, 2007b). A fourth strategy Bernal-Meza (2009) mentions is Brazil's strategy of continental regionalism at the level of Mercosur as a way for Brazil to accumulate power and project itself onto the international scene as an increasingly significant global political player and an increasingly strong economy. Bernal-Meza mentions other strategies such as Cuba's and Mexico's strategies. What becomes clear from Bernal-Meza's analysis is the high degree to which Latin America has become a fragmented region in terms of the international strategies pursued by different groups of countries and their governments.

This fragmented character of Latin American international and developmental strategies, Brazil's growing international and regional political clout, the EU speaks of Brazil as a *natural leader* of South America through the Unasur, as well as its strengthened economic situation seems to be a key explanation for the EU's desire of pursuing a strategic partnership with this country, just as it has been doing with other powerful countries. In the case of Brazil, it can also be argued that since it is generally seen as a constructive rising regional power by e.g. the EU and the United States, these players want to see Brazil in a leading role in the region in stead of for instance Venezuela, that is often seen as a contender for a regional leadership role (Burgess, 2007) with its controversial president Hugo Chávez who has been very explicit in his criticism of the United States and its imperialist and terrorist international policies as he sees it. It is a contended issue, however, to what extent Brazil is actually able to perform this leadership role in reality, even if it clear that Brazil has had this aim (Christensen, 2007b; Bernal-Meza, 2009). Brazil's bid for a leadership position meets with scepticism from many sides, including from Argentina that does not support Brazil's quest for a permanent position in the UN Security Council (Lima and Hirst, 2006).

On the other hand, as I have argued elsewhere (Christensen, 2007b) Brazil's geographical, economic and demographic size suggest that it is in a position of a natural leader and it has sought to enhance the attraction to its neighbours with some success. Similarly, during the government of Néstor Kirchner in Argentina, the external policies of Argentina and Brazil have become more converging than earlier (Christensen, 2007a; Bernal-Meza, 2009).

What have been Brazil's motivations for entering into negotiations with the EU of the establishment of a strategic partnership, particularly considering Brazil's strong emphasis on a rhetorical level of the importance of Mercosur in its international projection and multilateral negotiation approach? In all likelihood the Brazilian government has felt the EU's proposal as a sign of its recognition of Brazil as a major global player. This is clearly seen in a positive light in Lula's Brazil as it has strived for more global prominence. As the strategic partnership to a large extent can be seen as a forum for strengthened bilateral dialogue, it also fits Brazil's overall diplomatic action in the world that builds strongly on dialogue diplomacy as a way to promote the Brazilian world view and Brazilian interests. Furthermore, Brazil is apt to have considered EU's recognition of Brazil's growing international role as a step in the direction of achieving a permanent seat in the UN Security Council, an aim that has been pursued with particular energy by the Lula government (Lima and Hirst, 2006). A number of EU countries, such as France and Great Britain (Sarkozy and Gordon Brown) have stated their official support of Brazil as a permanent member of the UN Security Council. Currently, Brazil is being criticized for its active role in the case of Iran's nuclear programme, and some Brazilian opinion makers worry that Brazil may hurt their own interests as they have gone against the promotion of sanctions by the United States, France, Great Britain, China and Russia, though China and Russia have welcomed Brazil and Turkey's attempt at reaching agreement through further dialogue (Abreu, 2010). It should be noted that the strategic partnership does not entail trade negotiations as these are conducted through Mercosur in accordance with the norms of this customs union. However, it is an open question if Brazil's decision to accept the EU's invitation is part of a new tendency of Brazil to pursue its international strategies in a more unilateral way than earlier and thereby reducing the role of Mercosur in enhancing the negotiation strength of its members in multilateral for a. I will turn to this matter in the following where I analyze the consequences of the strategic partnership between the EU and Brazil for the EU-Mercosur relations overall and, more specifically, how Argentina has reacted to

the EU-Brazil strategic partnership taking into consideration that Argentina and Brazil from the outset of Mercosur have been the axis of the regional group.

### **Likely impact of an EU-Brazil “Strategic Partnership” on EU-Mercosur/Argentina relations?**

The EU-Brazil strategic partnership process can to some extent be seen as a consequence of Brazil’s rise in the international system and as a consequence of the change in the functioning of Mercosur after Argentina’s economic crisis in 2001-2002 and, finally, it can be seen as a response to the stagnation of the EU-Mercosur bi-regional association negotiation process from 2004.

This process came out to a promising start in 1999-2000. The association negotiations formally started at a meeting in Rio de Janeiro in June 1999, and on a follow-up meeting in Buenos Aires in April 2000 the parts agreed to initiate negotiating tariff reductions for the mutual trade between the two regions. The two parties saw significant potential economic and political advantages in the coming association. On the part of Mercosur, the main interest was in an improved access to EU agricultural and food markets, while the attraction for the EU was mainly to improve the access for its exports of consumer goods and capital goods to the Mercosur markets (Estevadeordal and Krivonoz, 2000: 2). This was much the same distribution of interests and incentives in the negotiations occurring in parallel in the FTAA process and at the multilateral level of the WTO. The plan was to conclude these negotiation processes in 2005. However, this did not happen. None of these negotiations have finished to date, and this is largely a consequence of disagreements in the negotiations of the key elements of interest mentioned above. As the United States and the EU wished to negotiate the agriculture chapter in the Doha round of the WTO, the interest of Mercosur of negotiating the FTAA and the EU-Mercosur bi-regional association largely disappeared. Brazil, together with China, India and Argentina took the lead in the Doha round as, on the initiative of Brazil, the G20 was formed during the Cancún negotiations in September 2003. The G20 group focused on a common agenda of pressing for changes in the agricultural trade chapter that would entail a liberalization of the agricultural markets of the most advanced economies, such as the United States, the EU and Japan. As I have discussed elsewhere (Christensen, 2010b), the formation of the G20 created a new dynamic in multilateral trade negotiations at the WTO. Argentina and Brazil were allies in this process and had developed a relatively shared outlook on international trade negotiations (Christensen, 2007a). This outlook resisted asymmetrical trade deals with the developed world on the basis of the view that unbalanced rules benefitting the developed countries



were likely to lead to negative development outcomes in Mercosur and other developing countries. Samuel Pinheiro Guimarães, one of the Brazilian government's main strategists, thus believed that an FTAA along the lines desired by the United States would create a US-dominated block and be hurtful to Brazilian development interests, particularly in terms of weakening the industrial sector but also in terms of creating financial crisis conditions that would hurt Brazilian society and economy overall (Guimarães, 2006). With regard to the negotiations with the EU, Guimarães pointed out (2003) that Mercosur should expect great difficulty in convincing the EU to alter its Common Agricultural Policy (CAP) in the direction Mercosur wanted and that it was more advisable to emphasize the goal of enhancing cooperation between the EU and Mercosur in the area of technology and innovation and thereby contribute to increased productivity and competitiveness.

It is noteworthy that the recent EU-LAC Summit in Madrid exactly put special emphasis on cooperation in technology and innovation both at the general EU-LAC level and at the level of EU-Mercosur bi-regional association negotiations (Council of the European Union, 2010a; Council of the European Union, 2010b). It is noteworthy how little progress was made in the EU-Mercosur negotiations, although the official rhetoric celebrated the relaunching of the negotiations. This suggests that the level of ambition has been reduced and that the more sensitive trade negotiations are dealt with at the WTO level.

How has Argentina reacted to the EU-Brazil strategic partnership? Argentina has been critical towards the differentiated and special treatment given to Brazil by the EU and seems worried of the possibility that the EU and Brazil may celebrate their own trade agreement. This cannot be done as long as Mercosur remains a customs union, however. But, there is a widespread sentiment amongst Brazilian business elites that Brazil ought not to let itself be hindered in pursuing its interests bilaterally (Vigevani and Haroldzini, 2009). This position is defended by the opposition candidate, José Serra of the PSDB, who leads the opinion polls for the presidential elections in Brazil in 2010. He favours that Mercosur goes from being a customs union to a mere free trade agreement (Serra, 2010). There are other signs that Brazil and Argentina are not completely in agreement about international trade negotiations, e.g. differential positions in the WTO where Brazil has shown more flexibility in areas of interest to developed countries (Sanahuja, 2009). Thus, it is possible that Brazil will gradually move towards a more strict interpretation of the aim of a "sovereign insertion" in the world economy, a concept that so far has been understood as an insertion based on

negotiations through Mercosur and with the G20 alliance in multilateral negotiations at WTO. One position in Brazil is that such a change would weaken Brazil's negotiation position as it would stand alone rather than with Mercosur or Unasur. This position has characterized the Lula government's rhetoric from the outset (Christensen, 2010b), however, the leading Brazilian specialist in Brazilian international relations and foreign policy, Amado Luiz Cervo recently argued that Brazil was *going global* and had realized that there was too much fragmentation in South America<sup>2</sup>. It is not given that Mercosur will *spill-back* to a free trade area but there are strong forces in Brazil working towards allowing Brazil to reach bilateral trade agreements. This is most likely a reaction to the many times Argentina has unilaterally broken the rules of Mercosur or has sought to introduce changes in its rules that would suit Argentinean interests better. Brazil has had a relatively flexible attitude towards this tendency, largely based on its understanding that Argentina needed to re-industrialize after its economic crisis and also based on a different vision of the regionalist project than the liberal trade-oriented position of the 1990s (Christensen, 2007b). In any case, it does seem that Brazil during Lula's second administration (2007-2010) has increasingly emphasized untraditional South-South cooperation and alliances with countries outside its region, particularly with the other BRIC<sup>3</sup> countries (Russia, India and China) and with the other IBSA<sup>4</sup> countries (India and South Africa). In the following, I go more into depth with the significance of Brazil's South-South alliances and cooperation in order to evaluate if the EU-Brazil strategic partnership actually is a strategic priority for Brazil as well as for the EU.

### **Is the EU-Brazil relationship a strategic priority for the EU and for Brazil?**

Supposedly, the EU-Brazil relationship is a strategic partnership to the extent that the two parties agree to see it that way. However, while it seems reasonable to argue that the relationship is of strategic importance to both parties and that they agree on a number of issues, including democratic and human rights values as well as on the desirability of promoting a number of aims such as the

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<sup>2</sup> Private conversation with Amado Luiz Cervo in Argentina, May 2010.

<sup>3</sup> The BRIC concept was invented by Jim O'Neill in 2001. In the last 2-3 years the BRIC countries have formalized the group that now has pre-meetings prior to negotiations of the G20 group (not the G20 of WTO negotiations) regarding a global response to the economic crisis that broke out in the United States and other developed countries in September 2008.

<sup>4</sup> The IBSA Dialogue is a mechanism of cooperation and dialogue between India, Brazil and South Africa initiated in June 2003 on the initiative of the Lula government. This group played a key role in the establishment of the G20 group at WTO negotiations in Cancún in September 2003.

fight against climate change and against poverty, it is less clear that the two parties actually should be seen as strategically prioritized partners.

A number of facts seem to indicate that although the two parties find that their mutual relationship is of great importance to both, they are in disagreement on a number of significant counts regarding the means for promoting common aims. The differences between them would suggest that while they may be partners in a limited sense, they should probably not be seen as being involved in a strategically prioritized partnership. This issue, however, is debatable, and it should indeed be debated as it is of great significance to changes in the global system that may produce alternations in the global order.

The main argument that shall be defended here is that the EU and Mercosur are in opposition on a number of issues with relevance for the distribution of benefits in relation to multilateral negotiations of e.g. international trade and climate change, as they are in opposition with regard to certain principles of global governance. On the other hand, there is a number of areas in which common positions and common interests and values are more evident and can more easily be pursued in tandem.

With regard to issues with relevance for the distribution of benefits in relation to multilateral negotiations, the EU and Brazil are on opposite sides of the negotiation table with regard to the development of the multilateral trade regime. Here, Brazil is allied with other developing countries including China, India and South Africa. The same is true in the area of negotiations on the global responses to climate change. In both of these cases, the EU largely shares interests and negotiation positions with the United States and other developed countries. A similar tendency can be found in the area of intervention. Although, both Brazil and the EU defend the equality of nations and the sovereignty of states in general terms, Brazil defends sovereignty more consistently, it could be argued. Brazil defends the principle of non-intervention and self-determination. This has put it in opposition to the United States and European countries in the case of the intervention in Iraq. This does not mean that Brazil will not try to influence the internal affairs in other countries at times. An example of this was its support of ousted president Zelaya in Honduras (2009). In fact, even after the new president was elected in Honduras, Brazil has maintained a strong pressure on the new government as exemplified in the threat of Brazil and a number of its South American allies not to attend the EU-LAC Summit in Madrid in May 2010 if Honduras's president, Porfirio Lobo were to

attend. In the other end of the scale, the Lula government has been very active in diplomacy involving Iran's nuclear programme seeking a way to avoid sanctions by the UN in spite of widespread support for sanctions at the UNSC (The Economist, May 15<sup>th</sup> 2010). It is hard to find the consistency in these actions, but it seems that Brazil defends a principle of not interfering militarily in other countries unless invited by their governments. When it comes to the Honduran case, one could argue that Brazil defends democracy through its diplomacy towards that country in 2009 and 2010. On the other hand Brazil has friendly relations to Cuba and Iran that are not democracies. This should most likely be understood in terms of Brazil's defence of non-intervention given the potential danger of intervention demonstrated in the Cuban case by the invasion in the Bay of Pigs in 1961 that was supported by the United States and given Lula's insistence that Brazilian diplomatic efforts in the Iran case has the aim of avoiding a repetition of the Iraq war. Premature sanctions towards Iran could be the first step that would later lead to military intervention. Another explanation revolves around Brazilian interests. Brazil has an interest in an influential position in Latin America and it has an interest in good relations to Iran. In this last case, Brazil furthermore defends the interest and, potentially, sovereignty of a middle range regional power and it defends its right to developing a capacity in nuclear energy. Given that Brazil is itself a middle range regional power with a capacity in nuclear energy, it could be argued that Brazil has a self interest in supporting Iran as long as there is a possibility that dialogue and negotiation can produce a negotiated outcome where Iran promises not to develop a nuclear weapons capacity. The Iran case is a very controversial one, however, both inside Brazil and internationally. Inside Brazil, there are those who find that Brazil should not support dictatorial regimes and who find that the Lula government is pursuing an Anti-American policy by aligning with countries that are in strong opposition to the United States geo-politically. From this perspective, Abreu (2010) argues that although Brazil's trade alliance with the G20 is very positive in terms of defending Brazilian interests, the support given to Iran is wrong-headed anti-Americanism that is likely to hurt Brazilian interests as Brazil's Western "allies" will find it hard to accept Brazil's foreign policy orientation. I disagree with this argument as there is hardly anything problematic about seeking to find a negotiated solution to Iran's nuclear ambitions if this is possible.

However, the preceding discussion could indicate that the differences in interests and principles defended by Brazil versus interests and principles defended by the EU are so great that the two cannot really be seen as prioritized strategic partners. Brazil's geo-strategic position seems to

emphasize South-South alliances and links based on perceived common positions and interests across different regime types to such an extent that it probably should not be seen as part of a triangular Trans-Atlantic alliance promoting Western interests and values. On the other hand, it could alternatively be argued that although Brazil is in opposition to the EU and other Western nations in multilateral trade organizations and although it defends a stronger definition of non-intervention this does not mean that Brazil does not have a strategic partnership with the EU. However, the core Trans-Atlantic alliance between the United States and the EU is at the heart of a Western alliance and this alliance has not won over Brazil completely. On the contrary Brazilian is pursuing a South-South alliance strategy and a range of policies aimed at advancing Southern interests, including the interest of the international respect of the principle of non-intervention. If there is a concern in the Western “heartland” alliance of the United States and the EU about the rise of China and the possible negative impact of this on the global liberal order, this alliance has not won over the complete allegiance of Brazil. Brazil on the other hand is a defender of a liberal order. However, it defends this order in a different way and with different principles. What this means then, I would argue, is that the Western alliance of the United States on which the hegemony of the United States in the global order rests has been unsuccessful at keeping Brazil aligned in all aspects. Brazil has not subordinated itself to the strategic interests of the United States. However, it has pursued policies that have gained it the respect of the Western world as a constructive country that contributes to the global order, particularly by contributing to the stabilization of the region of Latin America and the Caribbean.

## **Conclusion**

The analysis of the relations between Argentina and Brazil on the one hand and the EU on the other hand has shown that Brazil has become an increasingly significant global actor, while Argentina’s role has been weakened. Although, the EU sees Brazil as an important partner, the EU’s strategically prioritized partner is the United States. This duo has not been able to enrol Brazil in a widened Trans-Atlantic alliance because Brazil believes that it can best defend its interests and influence by engaging in South-South alliances and South-South cooperation. The reason is that the pattern of international relations shows a cleft between the interests of the global North and the global South in issues with relevance for global economic distribution, as in trade and climate change negotiations. Also, Southern states typically feel a more intense need to defend non-intervention in the domestic affairs of other states and self-determination than Northern states,

simply because Southern states face more problems from the breaking of these principles than Northern states.

This limit to the priority given to the strategic partnership between Brazil and the EU and the bi-regional association of EU-Mercosur does not mean that they cannot gain from these relations. For instance, the idea of cooperation in technology and innovation between EU and Mercosur could be fruitful for both regions as could the collaboration of the EU and Brazil in the area of bio-energy, an area in which the two parties furthermore seek to engage with Africa, supposedly in a joint effort at contributing to poverty reduction in Africa.

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